

AMENDED IN SENATE AUGUST 22, 2002

AMENDED IN SENATE JUNE 17, 2002

AMENDED IN SENATE JUNE 10, 2002

AMENDED IN ASSEMBLY APRIL 18, 2002

CALIFORNIA LEGISLATURE—2001–02 REGULAR SESSION

## **ASSEMBLY BILL**

**No. 2242**

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**Introduced by Assembly Member Koretz**  
**(Principal coauthor: Assembly Member Wesson)**  
**(Coauthors: Assembly Members Aroner, Cedillo, Keeley, Nation,**  
**and Shelley)**  
**(Coauthors: Senators Alarcon, Kuehl, and Romero)**

February 20, 2002

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An act to add Section 1182.10 to the Labor Code, relating to wages.

### LEGISLATIVE COUNSEL'S DIGEST

AB 2242, as amended, Koretz. Payment of wages.

Existing law requires establishment of a minimum wage for all industries of not less than \$5.75 per hour on and after March 1, 1998.

This bill would adjust the hourly minimum wage on January 1, 2003, and annually thereafter, to maintain employee purchasing power. The automatically adjusted minimum wage would be calculated using the California Consumer Price Index, as specified. The Industrial Welfare Commission would be required to publicize the automatically adjusted minimum wage.

This bill would provide that its provisions may not be construed to preclude an increase in the minimum wage greater than the formula

would provide or to result in a reduction in the minimum wage. *This bill would also provide that the Industrial Welfare commission may not increase the minimum wage in 2003 and may not begin another review of the minimum wage until January 2013.*

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Section 1182.10 is added to the Labor Code, to  
2 read:

3 1182.10. (a) The minimum wage is automatically adjusted  
4 on January 1 of each year to maintain employee purchasing power  
5 diminished by the rate of inflation that occurred during the  
6 previous year.

7 (b) The automatically adjusted minimum wage is calculated by  
8 multiplying the minimum wage in effect on December 31 by the  
9 percentage of inflation that occurred during the previous year, and  
10 rounding off the sum to the nearest five cents (\$0.05). The  
11 Industrial Welfare Commission shall publicize the automatically  
12 adjusted minimum wage.

13 (c) For purposes of this calculation, the following terms have  
14 the following meanings:

15 (1) "Percentage of inflation" means the percentage of inflation  
16 specified in the California Consumer Price Index for All Urban  
17 Consumers, as published by the California Department of  
18 Industrial Relations, Division of Labor Statistics and Research, or  
19 its successor index.

20 (2) "Previous year" means the 12-month period that ends on  
21 August 31 of the calendar year prior to the adjustment.

22 (d) This section may not be construed to either preclude an  
23 increase of the minimum wage by the Industrial Welfare  
24 Commission in an amount that is greater than the rate calculated  
25 pursuant to subdivision (b) or result in a reduction in the minimum  
26 wage. *However, the Industrial Welfare Commission may not*  
27 *increase the minimum wage in 2003 and may not begin another*  
28 *review of the minimum wage until January 2013.*



1     (e) The first automatic adjustment to the minimum wage shall  
2     occur on January 1, 2003.

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